



STEVEN L. BESHEAR  
Governor

FINANCE AND ADMINISTRATION CABINET  
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JONATHAN MILLER  
Secretary

THOMAS B. MILLER  
Commissioner

In the matter of:

[REDACTED]

Contact:

[REDACTED]

FINAL RULING NO. 2011-08  
February 2, 2011

Public Service Company Property Tax Liability  
January 1, 2009 to December 31, 2009

### FINAL RULING

The Kentucky Department of Revenue currently has an outstanding public service company property tax liability against [REDACTED] ("[REDACTED]") totaling \$[REDACTED] (plus applicable interest and penalties) for the assessment date of August 11, 2010. A breakdown of the liability is shown in the chart below:

Year Ending	Tax Due	Interest As of 02/02/11	Penalty As of 02/02/2011	Total Due As of 02/02/2011
2009	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]'s principal business activity is a sewer utility service, making it subject to assessment as a public service corporation. See KRS 136.120 (1) (a) 16. [REDACTED] protested the outstanding assessment and resulting liability in a letter dated [REDACTED], 2010, disputing ownership and the fair cash value of the property.

██████████ contends the Department's assessment overstates the fair cash value of the property due to the fact that there are no comparative sales of package treatment plants. ██████████ states that package treatment plants are not salable and therefore have no taxable value. Additionally, ██████████ claims that it does not own the real estate that the facility is on and thus is not subject to taxation for this facility.

By letter dated ██████████, 2010, the Department requested one of the following: submission of Form 61A200 and accompanying schedules, payment in full, a conference request, or a settlement offer. The Department made a second request on ██████████, 2010, allowing ██████████ an additional thirty (30) days to respond. To date, no response has been received.

The assessed tax liabilities in question are presumed to be valid and it is the taxpayer's burden to prove otherwise. Revenue Cabinet v. Gillig, 957 S.W.2d 206 (Ky. 1997); Walter G. Hougland & Sons v. McCracken County Board of Supervisors, 306 Ky. 234, 206 S.W.2d 951 (1947). Given ample time, ██████████ has not provided evidence or information to support its contentions and thus has not met its burden.

Therefore, the outstanding public service company property tax liability in the amount of \$██████████ (plus applicable interest and penalties) is deemed a legitimate liability of ██████████ due to the Commonwealth of Kentucky.

This letter is the final ruling of the Kentucky Department of Revenue.

### APPEAL

You may appeal this final ruling to the Kentucky Board of Tax Appeals pursuant to the provisions of KRS 131.110, KRS 131.340-131.365, 103 KAR 1:010 and 802 KAR 1:010. If you decide to appeal this final ruling, your petition of appeal must be filed at the principal office of the Kentucky Board of Tax Appeals, 128 Brighton Park Boulevard, Frankfort, Kentucky 40601-3714, within thirty (30) days from the date of this final ruling. The rules of the Kentucky Board of Tax Appeals, which are set forth in 802 KAR 1:010, require that the petition of appeal must:

1. Be filed in quintuplicate;
2. Contain a brief statement of the law and facts in issue;
3. Contain the petitioner's or appellant's position as to the law and facts; and
4. Include a copy of this final ruling with each copy of the petition of appeal.

The petition of appeal must be in writing and signed by the petitioner or appellant. Filings by facsimile or other electronic means shall not be accepted.

Proceedings before the Kentucky Board of Tax Appeals are conducted in accordance with 103 KAR 1:010, 802 KAR 1:010 and KRS 131.340-131.365 and KRS Chapter 13B. Formal hearings are held by the Board concerning the tax appeals before it, with all testimony and proceedings officially reported. Legal representation of parties to appeals before the Board is governed by the following rules set forth in Section 3 of 802 KAR 1:010:

1. An individual may represent himself in any proceedings before the Board where his individual tax liability is at issue or he may obtain an attorney to represent him in those proceedings;
2. An individual who is not an attorney may not represent any other individual or legal entity in any proceedings before the Board;
3. Any party appealing a final ruling to the Board other than an individual, such as a corporation, limited liability company, partnership, joint venture, estate or other legal entity, shall be represented by an attorney in all proceedings before the Board, including the filing of the petition of appeal; and
4. An attorney who is not licensed to practice in Kentucky may practice before the Board only if he complies with Rule 3.030(2) of the Rules of the Kentucky Supreme Court.

You will be notified by the Clerk of the Board of the date and time set for any hearing.

Sincerely,

FINANCE AND ADMINISTRATION CABINET



E. Jeffrey Mosley

Interim Executive Director

Office of Legal Services for Revenue